

**JOURNAL OF THE PROCEEDINGS
OF THE
BOARD OF COMMISSIONERS
OF COOK COUNTY**

**JANUARY 16, 2007
(Special Meeting)**



TODD H. STROGER, PRESIDENT

**WILLIAM M. BEAVERS
JERRY BUTLER
FORREST CLAYPOOL
EARLEAN COLLINS
JOHN P. DALEY
ELIZABETH ANN DOODY GORMAN
GREGG GOSLIN
ROBERTO MALDONADO
JOSEPH MARIO MORENO**

**JOAN PATRICIA MURPHY
ANTHONY J. PERAICA
MIKE QUIGLEY
TIMOTHY O. SCHNEIDER
PETER N. SILVESTRI
DEBORAH SIMS
ROBERT B. STEELE
LARRY SUFFREDIN**

**DAVID ORR
COUNTY CLERK**

JOURNAL OF PROCEEDINGS FOR JANUARY 16, 2007

Call of the Meeting..... 463

Call to Order 465

 Budget Message of the President to the Board of Commissioners 465

 Referral of Budget to Finance Committee 470

Adjournment 470

JOURNAL OF THE PROCEEDINGS
OF THE
BOARD OF COMMISSIONERS
OF COOK COUNTY

Meeting of Tuesday, January 16, 2007

10:00 A.M.
Central Standard Time

COOK COUNTY BOARD ROOM, COUNTY BUILDING

Board met pursuant to the following call:

January 10, 2007

The Honorable David Orr
Cook County Clerk
69 West Washington Street, Room 500
Chicago, IL 60602

Dear Clerk Orr:

Pursuant to the authority vested in me, I hereby call a Special Meeting of the Board of Commissioners of Cook County for Tuesday, January 16, 2007, at the hour of 10:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting I will present the Message of the President to the Board of Commissioners submitting the Executive Budget for Fiscal Year 2007.

Very truly yours,

TODD H. STROGER, President
Cook County Board of Commissioners

COPY OF LETTER SENT TO ALL COMMISSIONERS

January 10, 2007

President and Members
Cook County Board of Commissioners

Ladies and Gentlemen:

Todd H. Stroger, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of the Commissioners of Cook County on Tuesday, January 16, 2007, at the hour of 10:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting the Message of the President to the Board of Commissioners submitting the Executive Budget for Fiscal Year 2007 will be presented.

Very truly yours,

David Orr
County Clerk

* * * * *

This is to certify that a copy of the above notice was hand delivered and personally addressed to each Member of the Board of Cook County Commissioners at their home address and was deposited in the United States Mail on January 10, 2007.

DAVID ORR, County Clerk

* * * * *

The following Legal Notice appeared in the Chicago Sun-Times Newspaper on Tuesday, January 16, 2007.

LEGAL NOTICE

Todd H. Stroger, President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Tuesday, January 16, 2007, at the hour of 10:00 A.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting the Message of the President to the Board of Cook County Commissioners submitting the Executive Budget for Fiscal Year 2007 will be presented.

Very truly yours,

DAVID ORR , County Clerk and
Clerk of the Board of the Commissioners of Cook County, Illinois

January 16, 2007

OFFICIAL RECORD

President Stroger in the Chair.

CALL TO ORDER

At 10:00 A.M., being the hour appointed for the meeting, the President called the Board to order.

QUORUM

County Clerk David Orr called the roll of members and there was found to be a quorum present.

ROLL CALL

Present: President Stroger and Commissioners Beavers, Butler, Claypool, Collins, Daley, Gorman, Goslin, Maldonado, Moreno, Murphy, Peraica, Quigley, Schneider, Silvestri, Sims and Steele - 16.

Absent: Commissioner Suffredin - 1.

**BUDGET MESSAGE OF THE PRESIDENT
to the
BOARD OF COMMISSIONER FOR THE FISCAL YEAR 2007**

January 16, 2007

Chairman Daley, Commissioners, fellow county executive officers, civic and community leaders assembled here today, and Cook County taxpayers:

In my inaugural remarks delivered in this room just six short weeks ago, I spoke of the great opportunity before us.

The opportunity of which I spoke has many facets, the opportunity to move Cook County government squarely into the 21st Century; the opportunity to overcome the sometimes sluggish culture of this government, and transform it into a modern and efficient operation, the opportunity to better fulfill the critical missions of county government, and thereby renew its commitment to public service; and improving lives with the opportunity to earn the trust and confidence of those who pay for and receive county services.

I spoke of the need to make bold changes in order to accomplish each of these goals.

I spoke also of the \$500-million budget shortfall that now confronts us, and I characterized that massive shortfall as the cumulative result of decisions too long deferred.

Six weeks ago before this County Board, I spoke of my intention to balance this budget *without* raising taxes... and I indicated that, from inauguration day forward, there are no more sacred cows in Cook County government.

Through bold action on this and future budgets, we can make Cook County a better place to live, work and play for generations to come. We can, and we will, do our part to improve the quality of life here in Cook County.

Today, we introduce to county government an improved culture of accountability. We do this by living within our means, attacking government bloat wherever we find it, and by demanding higher standards so that the delivery of vital services is not only maintained, but also improved.

My fellow elected county officials, today I propose a budget for fiscal year 2007 that calls for a reduction in spending of \$112 million over the previous year, and a reduction of headcount of 1,492 over the previous year.

This budget proposal contains no new or increased taxes, and it keeps the county property tax levy flat at \$720.5 million. For those unfamiliar with our property tax system, this means that no matter how much property values rise, total property tax collections for county government will remain exactly the same as last year. Indeed, this will be the eighth consecutive year that the county property tax levy has stood unchanged at \$720.5 million.

The budget I submit today calls for total spending of \$3 billion, and a total county workforce of 24,084 full-time equivalent employees.

To understand the context of these total numbers, consider the following: this budget reduces overall spending while simultaneously absorbing unavoidable spending pressures and swallowing huge reductions in various county revenue sources. In short, this budget plan contains substantial spending reductions throughout county government.

Behind these overall budget numbers, of course, is a lot of financial detail and behind that financial detail is a framework for a more efficient, more effective county government. Underlying the financial and operational specifics, in turn, is the commitment to improved public service that we all share.

I will highlight some of the key financial and operational details of this budget, but first let me generally acknowledge the important role that many county officials and employees played in helping identify efficiencies for this budget plan.

Part of my approach has been to empower those with institutional knowledge of county finances, to enlist their expertise as part of our effort to reshape Cook County government, and to invite them to be part of the solution.

That is why I initially asked each of the 11 independently elected county executive officers, and all departments under my purview, to submit budget plans containing cuts of 17 percent compared with last year.

I arrived at that 17 percent request as a practical matter. Given that \$150 million of the County's \$500 million dollar budget shortfall will be managed through the restructuring of debt, and given that the remaining \$350 million of the shortfall represents 17 percent of the total operating budget from last year, I asked for spending reductions totaling 17 percent, a reasonable target.

The budget plan I submit today contains efficiencies developed as part of that exercise, along with additional efficiencies identified by my budget staff. This budget does not represent a 17 percent across-the-board spending reduction; rather it incorporates the best ideas for eliminating the shortfall without new taxes. Some areas of county government will sustain cuts greater than 17 percent, while most will see cuts of less than that amount.

In the coming weeks, with input from Commissioners and the public, I hope that still more areas for streamlining will be identified.

As I indicated six weeks ago in this board room, I need your collective knowledge and talents, and the will to get things done.

Only together can we make the most of the opportunity that has been given us and only together can we successfully resist those who prefer the status quo.

How did we get to this point? The problem hasn't been runaway spending, indeed, over the past 12 years, the average annual growth of total Cook County governmental spending has been a relatively modest 2.8 percent.

The biggest contributor to the massive shortfall we now face is that, for too long, Cook County avoided making the tough spending decisions. Cook County government never before embraced fully the opportunity to modernize, to utilize best practices, and to demand excellence from every corner of its operations.

With this budget, we begin anew.

Of the \$500-million projected shortfall we have all inherited and must now eliminate shortfalls over two consecutive years in hospital fees and cigarette taxes contributed \$155 million and \$60 million, respectively. In other words, more than 40 percent of the shortfall we now face is related to hospital fee and cigarette tax revenue assumptions.

Add to that a \$66 million loss of surplus which will not be available in 2007, a \$42-million reduction in federal Medicaid dollars this year through the intergovernmental transfer program, and a \$78 million increase in debt service and pension requirements, and we are a long way to our total revenue shortfall of \$350 million.

Spending pressures of more than \$150 million make up the balance of the \$500 million shortfall we have inherited. These spending pressures largely consist of salary increases that are mandated by collective bargaining agreements, by the increased cost of employee health insurance, and by court-mandated hiring of new jail guards.

The budget plan I propose today closes this inherited \$500-million budget gap without fiscal gimmicks and without new taxes. This budget plan focuses on straightforward spending reductions and efficiencies.

Let's examine them together.

First, and foremost, we are going to:

Focus on core missions. To ensure that county government has sufficient resources to deliver those critical services required by law and absolutely needed by our citizens, programs outside the core missions of county government must be sacrificed. We simply can no longer afford extra programs in this time of belt tightening and taxpayer accountability. Perhaps the best example of "core mission focus" in this budget is the reduction of community outreach units in the State's Attorney's Office, for an immediate savings of \$350,000. Although laudable, these types of programs do not justify their great expense and they symbolize programming that is beyond their department's core mission. These precious resources are redirected to helping meet core public safety missions, including the hiring of 250 additional correctional officers to satisfy court-mandated jail staffing requirements pursuant to the Duran consent decree.

Next, we will:

Consolidate administrative functions. This budget fully embraces cost-savings through consolidation of human resources, public relations and finance functions within the Bureau of Health Services something sought by members of this board in previous budget cycles.

We will also:

Enhance revenue collection. This budget addresses the long-overdue need to better collect hospital revenues whether from Medicare, Medicaid, private insurance or private pay that are rightfully due the taxpayers of Cook County. To that end, this board and I will engage ACS Healthcare Solutions (ACS HCS), a firm that manages hospital revenue cycles, to bring our hospital billing and collection practices on par with the private sector. Every dollar lost here is simply one more dollar we must ask of our taxpayers, and every additional dollar collected is that much less a burden for our taxpayers. This budget reflects \$43 million in additional hospital revenues as a result of our engagement of ACS HCS.

Further, the budget:

Restructures county debt. By better managing our debt portfolio and taking advantage of the current, favorable interest rate environment, fully \$150 million of savings can and will be achieved this fiscal year. My experience as an investment banker informs me that this is prudent fiscal management.

Improves management of state and federal grants. With this budget, we begin the effort to better manage our grant award and renewal process, we more fully professionalize and centralize our grant seeking function, befitting of its increasingly vital role in our overall revenue structure. To that end, I have incorporated in my executive budget recommendation for 2007 a grant coordinator position, to be located in the Office of the Chief Financial Officer. It is my intent that this job more than pay for itself by bringing in enhanced grant revenues well beyond the cost of funding this new position. And let me also announce that, as part of my effort to more fully professionalize the finance team of Cook County, I have appointed Mr. John Cookingham as the new Chief Financial Officer of the Cook County Bureau of Health Services.

Reflects a better use of technology. In the months ahead, we will find ways to improve the delivery of county services to make us more cost effective through better use of technology. That effort will be ongoing throughout my administration. This budget contains an immediate example of efficiencies through technology: the Board of Review will achieve a 17 percent spending reduction through enhanced automation and technology.

Outsources where it makes sense to private-sector firms. This budget includes the privatization of food and custodial services at the Juvenile Temporary Detention Center, outsourcing of environmental and laundry services at Oak Forest Hospital of Cook County, and privatization of county cafeteria services for a collective savings of \$4.2 million.

Includes a two-percent allotment. In order to restore fund balances to appropriate levels, consistent with sound financial practices, this budget will require all offices and departments to operate within 98 percent of their respective appropriations. This “two-percent allotment,” to be withheld from quarterly spending, will erase a \$44 million fund deficit, and put us on more solid financial ground for the 2008 budget cycle and beyond.

And finally, this budget includes:

Implementation of other efficiencies. Even after a budget for 2007 is approved, I will work with this board to find better, more cost-efficient ways of delivering county services. Group purchasing. Utilization of best practices, from both the public and private sectors. Technology. Indeed, this is and will be an ongoing process.

The budget plan I submit today reflects six intensive weeks of work by a great many people. As of today, another six weeks remain until February 28th, the state law deadline to adopt a County budget. Accordingly, with deference to the public hearing process over which Chairman Daley will now preside, I leave you with half the total time that has been allotted to us for this all-important task.

In one respect, this day marks the completion of my legal responsibility to propose a budget, and the commencement of this board's legal responsibility to consider and pass a budget. I have undertaken my duty with a clear understanding of what Cook County taxpayers demand a budget that is balanced without new taxes. I hope and I trust that this board will do its duty with a similar understanding of what Cook County taxpayers expect of us.

Once the fiscal year 2007 budget is in place, I look forward to an even more rigorous budget process leading into 2008. To that end, when our work on this budget is complete, I intend to convene a budget summit comprised of elected officials, business and civic leaders, and financial experts to re-imagine county government beyond this budget year.

Beginning next budget cycle, I intend to introduce zero-based budgeting to Cook County government. With the benefit of additional time not the six short weeks afforded me for this budget cycle we will bring more "best practices," and greater efficiencies, to county government.

And for so long as I hold this office, I will work to ensure that Cook County is always there to make quality health care available to all, regardless of economic circumstances, and that it continues to guarantee that all women in this county have the means of exercising their reproductive freedoms.

I will always work to ensure that Cook County is there to help keep us safe, and to safeguard the exercise of our civil liberties.

And I will work to ensure that Cook County will always be a place where even the least fortunate among us have the opportunity to live the American dream.

The budget proposal before you represents the first substantial step on a road to transforming Cook County into a model county government one worthy of emulation, in all respects, throughout our nation.

We can and will get there, together. We will indeed make the most of the opportunity before us.

With steadfast commitment to making the bold changes our taxpayers demand, with confidence in the integrity of this County Board, and with the sincere hope that Commissioners remain focused and courageous in the face of inevitable forces that would resist the transformation we seek, I place my executive budget recommendation for fiscal year 2007 in your capable hands.

Thank you.

TODD H. STROGER, President

JOURNAL OF PROCEEDINGS FOR JANUARY 16, 2007

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The Message of the President to the Board of Cook County Commissioners was given by President Stroger.

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President Stroger then submitted the Executive Budget to the Board of Commissioners for the Fiscal Year 2007, for referral to the Committee on Finance.

Commissioner Daley, seconded by Commissioner Sims, moved that the President's Executive Budget be referred to the Committee on Finance. **The motion carried unanimously.**

ADJOURNMENT

Commissioner Daley, seconded by Commissioner Sims, moved that the Special Meeting do now adjourn.

The motion prevailed and the Special Meeting stood adjourn.

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The next regular County Board Meeting is scheduled by law, for Tuesday, January 23, 2007.

County Clerk